



2014

Edelman Trust Barometer Executive Summary

Leading the Debate for Change



The 2014 Edelman Trust Barometer shows the largest ever gap between trust in business and government since we began this study in 2001. This can be attributed to a continued destruction of trust in government that began in 2011, and a steady rise in belief in business since its nadir in 2008. In nearly half of the 27 nations we surveyed, there is a gap of more than 20 points. In a few nations, the divide is as much as 40 points. This is a profound evolution in the landscape of trust from 2009 where business had to partner with government to regain trust, to today, where business must lead the debate for change.

Business may interpret this as the moment to push for deregulation, as it did a decade ago. That would be a monumental error in judgment. Our research indicates a reputation hangover for business from the

Great Recession of 2008. Events of the past 12 months, including a record fine of \$13 billion for J.P. Morgan on the sale of troubled mortgage securities, the largest ever bankruptcy in Latin America with the failure of Eike Batista's EBX deep-water oil drilling firm and food scandals involving antibiotics in the poultry in China, have renewed concerns about business' ability to self-regulate.

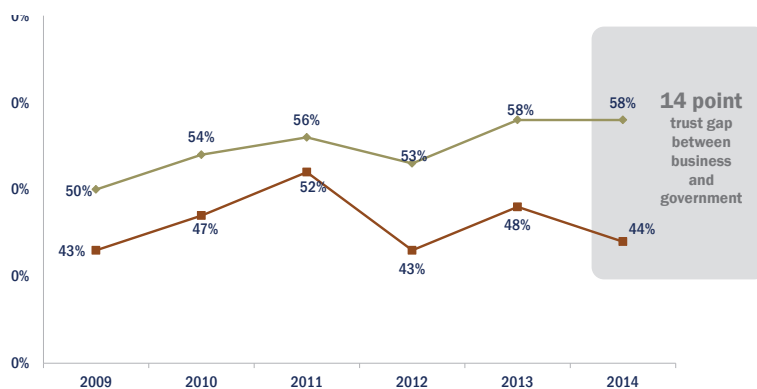
The result is a continuing demand for government oversight; 84 percent of Chinese respondents believe there is too little regulation of its food industry, while by a five-to-one margin those in UK, Ireland and Spain want more regulation of financial services.

It has generally fallen to government leaders to establish the context for change, to mold public sentiment, then through legislative or regulatory process create the rules of the game. Former U.S. President Teddy Roosevelt said a government leader had a "bully pulpit" or an unparalleled platform to educate (note: "bully" in his day meant wonderful or superb).

But today, government lacks the long-term thinking and popular support to keep up with innovation that is cross-border, complex and requiring fundamental rethinking. For example, describing an inconclusive meeting in December between President Obama and CEOs of leading technology companies in the wake of the revelation of widespread global surveillance by the National Security Agency, the *New York Times* wrote, "Tech Leaders and Obama Find Shared Problem: Fading Public Trust." Upcoming elections in key developing markets Brazil, India, Indonesia, South Africa and Turkey will freeze the policy process, even as popular discontent has found expression in the streets.

HISTORIC GAP BETWEEN BUSINESS AND GOVERNMENT TRUST

Global trust in government and business since 2009



Now it is business' turn to ascend the "bully pulpit" (or "soapbox" in UK parlance). Business has recovered trust from the crisis period because it is seen as having made demonstrable strides in transparency, supply chain and product quality. Our research shows clearly there now is an opportunity for business to make its case for change, as 79 percent believe business should be involved in formulating regulation in such industries as energy and food, while a majority feels government cannot go it alone. Eighty-four percent of respondents believe that business can pursue its self-interest while doing good work for society. This is, in fact, the license to lead, beyond the legal construct of license to operate, toward a new role of initiating change.

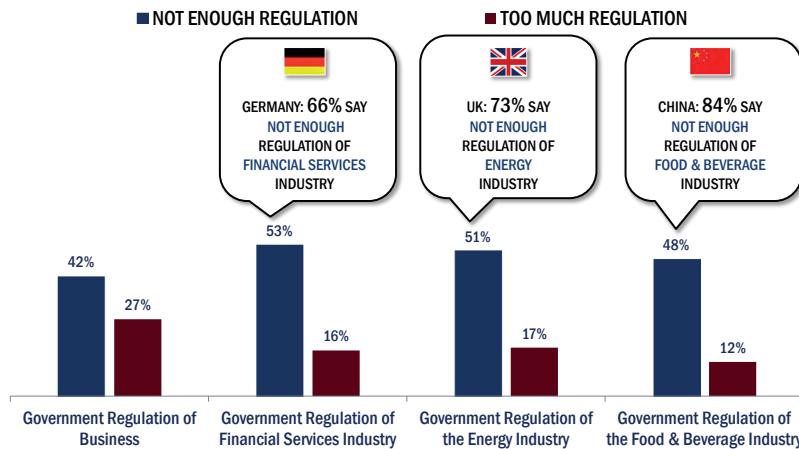
Eighty-four percent of respondents believe that business can pursue its self-interest while doing good work for society.

The question is how business can best take on this new, unfamiliar role in the public discourse. We recommend the CEO become the Chief Engagement Officer, taking responsibility for establishment of the context in which change will occur. Instead of the usual inside game played by business, which relies on lobbying regulators or elected officials, the CEO will take the case to the broader public to make the macro case for forward progress, not just the micro case for a given product or new factory, as Jeff Immelt of GE has been doing in the energy field. There should be the usual strong economic rationale, but there must be thoughtful consideration given to arguments that address emotion and risk, as well as societal benefit. This is especially important in industries such as energy, technology and food, where there are important personal consequences to systemic failures such as spills or hacking of personal financial data. And the CEO must have the courage to hear what is being said in the debate and be willing to change accordingly.

This cannot rely solely on the CEO. An inclusive management model that embraces academics, employees, industry trade groups, technical experts and non-governmental organizations will enable the company to become a credible voice on issues. Our research

By a three-to-one margin informed publics call for increased government regulation of financial services, energy and food & beverage industries

Government regulation of business and sectors - Global



shows a much greater degree of trust is afforded those with specific credentials or those with similar perspective (trust in the CEO is at 43 percent while an academic is 67 percent and “a person like yourself” is 62 percent). As noted in prior years, the new normal is consensus found between information conveyed top down from authoritative institutions, matched with the more personal, peer-to-peer horizontal flow of knowledge.

We suggest a three-step approach to establishing context and realizing forward progress:

Participate: Seek input from a broad range of stakeholders. Partner with non-governmental organizations in the drafting of clearly articulated goals which offer both a business case and a pro-society rationale. Conduct a listening tour of affected communities to address emotional concerns while creating personal relationships with local leaders. Engage employees, enlisting their involvement to ensure organizational alignment around goals and values.

Advocate: Offer a clearly articulated strategy that begins with the context of how a proposed change will improve lives of customers, as well as your bottom line. Go on tour, engaging in debate with critics, informing media of all stripes, from mainstream to social. Enable your partners, from NGOs to academics, by briefing them regularly. Foster a culture that supports employees speaking out, amplifying the engagement and creating mass movement.

Evaluate: Evolve behavior based on collective inputs. Have measurable outcomes, specific quantitative and qualitative targets. Report frequently on progress against metrics. Acknowledge where delivery is under expectation and have a path to improved performance. Amend your strategy and goals while remaining authentic.

This “bully pulpit” is largely unfamiliar ground for business leaders. But at the moment, innovation in industry is being stymied by justified public concerns, with government unable and business unwilling to step forward. We strongly urge business to take the chance to redefine value as being also about values, to connect with its stakeholders in a deeper manner by explaining the economic, societal and environmental context in which it seeks to operate. Trust will be conveyed to those companies and industries that recognize the need to move beyond transactional thinking toward better understanding of the tangible actions that will solve the issues we face.

Richard Edelman

President and CEO, Edelman

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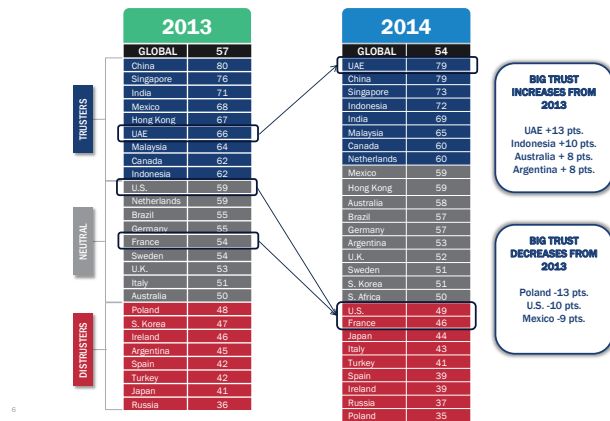
State of Trust

Decline led by drop in government trust

Global Trust

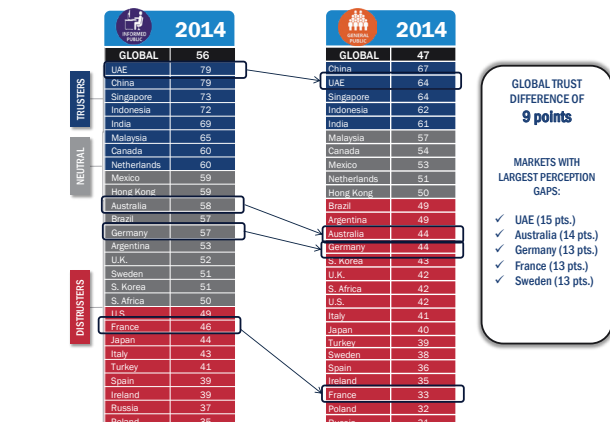
Overall, trust declined over the last year, due in large part to declines in trust of government in many countries. Trust levels in 2014 also showed strong regional variations. Poland, the U.S. and Mexico experienced major declines (-13, -10, -9 points, respectively) while the biggest increases in trust occurred in UAE, Indonesia, Australia and Argentina (+13, +10, +8, +8 points, respectively). (Fig. 1)

Figure 1: The Trust Index: Slight decline in trust over the past year with strong regional variations; major declines in Poland, U.S. & Mexico



General public populations reported substantially lower trust levels than informed publics, a global trust difference of nine points. Interestingly, the spread among countries falling into the distrusters, neutral and trusters categories varied significantly between the populations. Globally, trust levels by country fell evenly across the categories among the informed public, while far more countries (63 percent) saw trust levels in the distruster category among the general public. (Fig. 2)

Figure 2: Substantially lower trust among general public than informed public

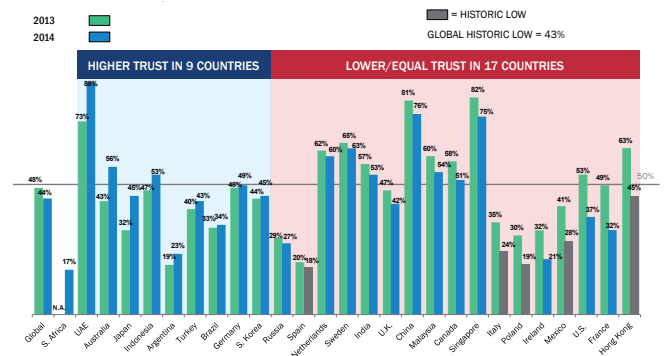


Trust in Institutions

Government saw the largest decline in trust of any institution in 2014. Contributing factors were staggeringly low ratings by general publics in European markets like France (20 percent), Italy (18 percent), Spain (14 percent) and historic lows for informed publics (Fig. 3) in Hong Kong (45 percent), Spain (18 percent), Italy (24 percent), Poland (19 percent) and Mexico (28 percent). The largest drops in trust in government were seen in the U.S., France and Hong Kong (16, 17 and 18 points, respectively), moving each market well below the 50 percent mark.

Media also saw a decline in 2014, as trust among informed publics dropped five points to 52 percent, the same level seen in 2013 (a rise from 49 percent in 2012). Nearly 80 percent of countries reported trusting media less over the last year.

Figure 3: Significant trust decline for government; largest trust drops in U.S., France and Hong Kong
Trust in government, 2013 vs. 2014



The recovery of trust in business seen in recent years seems to have run its course as an overall stasis set in year over year in 2014. Trust in developing markets, however, soared as nearly 85 percent of countries in this category surveyed well above 50 percent. With skepticism more entrenched in western countries, trust held steady or dropped among most developed countries. The largest drops (11 points) were seen in Hong Kong, Italy and Poland but Germany and South Korea both saw strong trust increases (nine and eight points, respectively).

For the seventh year in a row, NGOs are the most trusted institution. All regions surveyed at or above 60 percent, with only four countries surveying below 50 percent (Poland, Sweden, Russia and Japan).

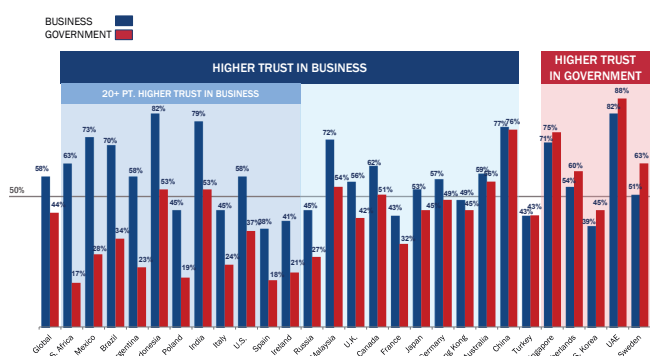
The Government/Business Dynamic

The Trust Gap Widens

With trust in business leveling and trust in government declining, in cases to historic lows, we now see an historic gap of 14 points globally between trust in business and government. Thirteen countries surveyed a gap of more than 14 points, with seven countries reaching a gap of more than 25 points, including South Africa (46 points), Mexico (45 points), Brazil (36 points) and Argentina (35 points). (Fig. 4)

Figure 4: Global gap of 14 percentage points between trust in business and government

Trust in business vs. government



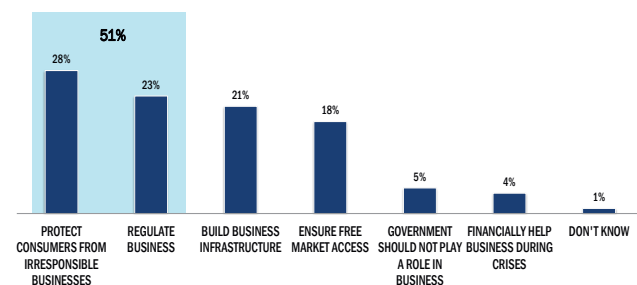
The Crux of the Gap

Business has steadily rebounded since the implosion of trust experienced in 2008/09 and is showing signs of stability but memories of the meltdown and the usual stream of scandals that play out in the media reinforce strong distrust in business as its own regulator.

Despite declining trust in government, there is very strong demand for government regulation of business to protect consumers (Fig. 5). Forty-two percent of informed publics globally believe there is not enough government regulation of business. More than half of respondents see

Figure 5: Over half see government as protecting consumers from business

Most important role for government in business

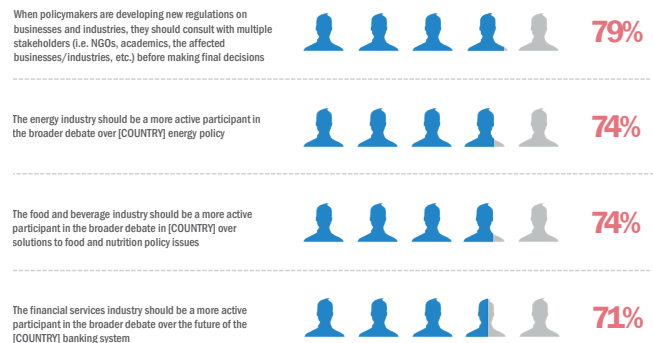


protecting consumers from business as an important role for government. Demand for oversight is even higher for industries where the potential impact on environmental, health and economic wellbeing is more prominent, like energy (73 percent of UK respondents feel there is not enough regulation), food and beverage and financial services.

While demand for regulation of business to protect consumers is high, the Edelman Trust Barometer also shows a significant level of permission for business to play a role in the debate and design of regulation (Fig. 6). Most respondents don't see government as capable of delivering the necessary regulations on its own, especially at the scale and level of complexity that is often required.

Figure 6: Business has permission to play role in regulation and debate

Percentage agreeing with each of the following statements



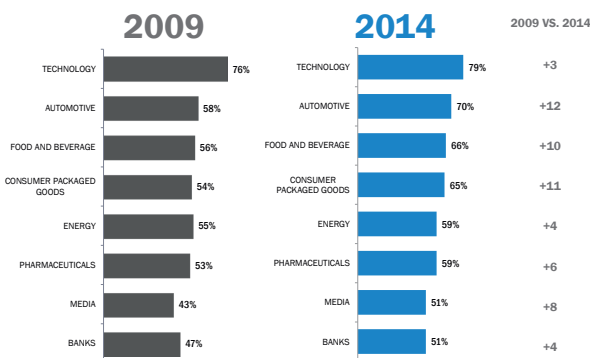
The opportunity for business to earn the license to lead that emerged in the 2012 Edelman Trust Barometer still exists and is stronger than ever. The 2014 data shows that business has a right to be at the table. Informed publics want business involved in developing regulation. But this permission is conditional. Business is not trusted to self-regulate. Rather business leaders must work collaboratively with government and other stakeholders and appeal to broader publics. They must foster an informed conversation that provides the context necessary to create regulation that is relevant and as effective in its ability to protect as it is in its ability to move society and business forward. To be credible, this context must connect business value with external values and demonstrate solutions-oriented actions.

Four Factors Shape Trust in Business

Industry and Sectors

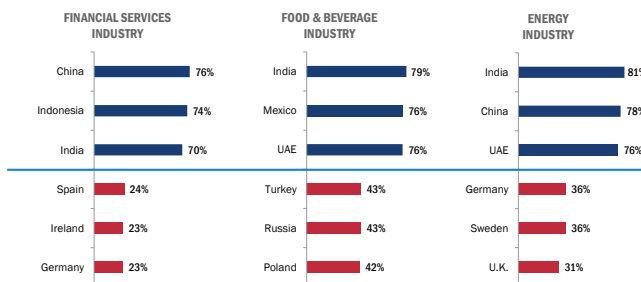
The Technology industry continues to lead with a trust level of 79 percent among informed publics (Fig. 7) but is beginning to show cracks in some key markets such as France. After changes in sourcing and management and a stronger focus on higher quality products, automotive, food and beverage and consumer packaged goods are showing strong rebound over scores from 2009 (up 12, 10 and 11 points, respectively). Media companies and banks continue to trail, seeing little movement since 2009 and, with additional incidents this year, are facing continued public and regulatory reprimand over ethics, business practices and malfeasance.

Figure 7: Technology continues to lead, banks trail



As geography increasingly plays a role in trust levels, trust in specific industries is becoming more varied across markets among the general public. Seen here in the financial services, food and beverage and energy industries, the countries with the greatest levels of trust in each industry are mostly developing markets like China and India, whereas those with the least amount of trust are mostly developed markets (Fig. 8).

Figure 8: The top three and bottom three markets for trust in financial services, food & beverage and energy industries

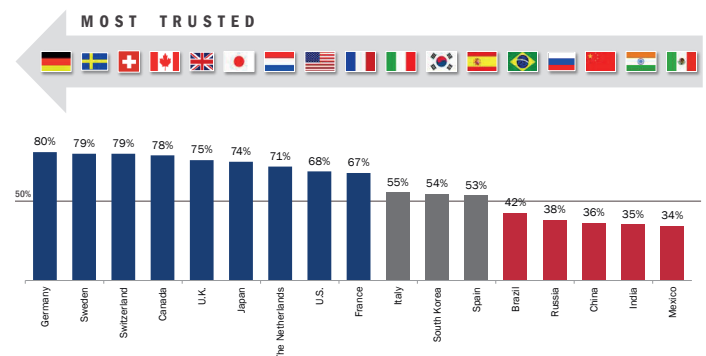


However, trust in an industry is not always equal to the sum of trust in its sectors. Banks and credit card companies are more trusted than the Financial Services industry as a whole while the Food and Beverage industry sees similar levels of trust across most sectors. Renewables, which provide a halo of positive environmental impact and societal progress outperform the Energy industry overall, which is brought down by lower trust scores for oil and mining.

Country of Origin

Companies headquartered in BRIC nations continue to suffer a trust discount, not just compared to western based companies globally (Fig. 9) but also among respondents in western markets. Globally, respondents rated companies based in Germany, a market known for efficiency and productivity, highest (80 percent) followed closely by Sweden (79 percent), Switzerland (79 percent) and Canada (78 percent), all of which are known to have strong policies aimed at protecting the environment and employees and communities. The UK and the U.S. each saw a slight decline in 2014 (75 percent and 68 percent, respectively) over 2013 (78 percent and 72 percent, respectively). China, Russia and India came in at some of the lowest ratings (36, 38 and 35 percent, respectively), with no improvement over the past five years.

Figure 9: Companies headquartered in BRIC nations suffer a trust deficit compared to western base
Trust in companies headquartered in the following countries



While BRIC markets were pretty evenly rated globally, trust levels by country showed far lower levels of trust in these markets by respondents from western markets. Russia received the lowest individual market scores of just 18 percent from both Germany and the U.S. However, respondents in each of these countries rated their own companies higher than the global average, demonstrating a gap between perceptions of home-grown businesses and the global view. Trust levels in Chinese businesses among Chinese respondents were 76 percent, 40 points above the global trust level of 36 percent. India showed an even greater differential of 82 percent trust in Indian companies, compared with the global trust level of 35 percent.

As discussed in the 2013 Emerging Markets Supplement*, there are consequences for this deficiency of trust. The low reputation of emerging markets is so severe among developed markets that nearly two-thirds of developed market respondents would reject any type of domestic investment from companies in any given BRIC country.

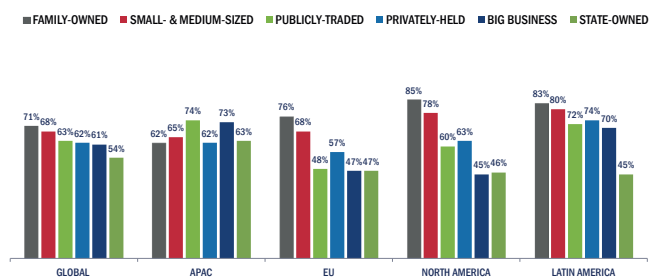
*Data from 2013 Trust Barometer Emerging Markets Supplement survey (research conducted in 9 markets (U.S., U.K., Germany, France, China, India, Indonesia, Mexico, South Africa); 600 respondents per market, n=5400)

Four Factors Shape Trust in Business (continued)

Ownership Structure

New this year, the Edelman Trust Barometer asked informed publics about their levels of trust in business based on ownership structure. Family-owned and small- & medium-sized business outperformed big business in all regions but Asia where publicly-traded and big business companies received the highest scores (74 and 73 percent, respectively) (Fig. 10). A stronger distrust of state-owned companies exists globally.

Figure 10: Family-owned and small - and medium-sized businesses have a trust advantage except in Asia
Trust in different types of business - by region



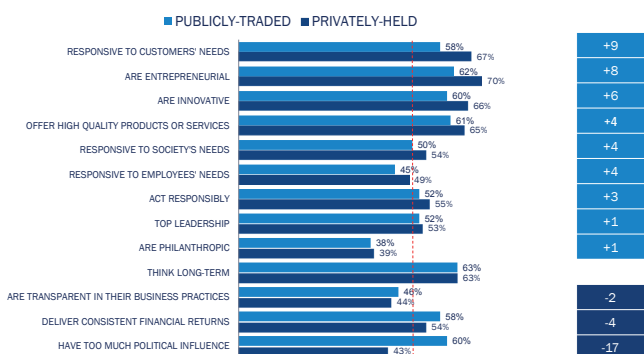
When asked about levels of trust in public versus private companies, respondents conveyed a few key differences but overall relatively even levels of perceived performance across thirteen characteristics that align with the trust attributes (Fig. 11).

Of these thirteen, privately-held companies were perceived to be more responsive to customers' needs (67 percent compared with 58 percent); more entrepreneurial (70 percent compared with 62 percent); and more innovative (66 percent compared with 60 percent).

The data also showed that both are underperforming against stakeholder expectations in areas of responsiveness to employees, philanthropy and transparency.

Figure 11: Differences exist in perceptions of company types - political influence, customer needs and entrepreneurialism show largest gaps

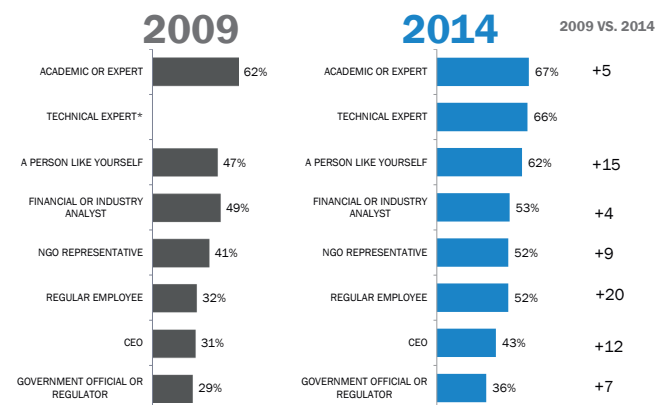
Phrases associated with publicly-traded & privately-held businesses



Leadership

Overall, trust in leadership has plateaued. Academics and experts remain the most trusted source of information about companies (67 percent), followed closely by technical experts (66 percent) and a person like yourself (62 percent), which has increased significantly (15 points) since 2009 (Fig. 12). CEOs and government leaders remain at the bottom of the list for both informed and general publics, with extremely low trust levels on key metrics. Among the general public, only one in four general public respondents trusts business leaders to correct issues and even fewer – one in five – to tell the truth and make ethical and moral decisions. Government leaders scored even lower across the board.

Figure 12: From 2009 to 2014, significant gains for regular employees, a person like yourself. CEOs flat from 2013
Credibility of spokespeople



As concerning and daunting as this may be, it is not reason for leaders to step back into the shadows and leave things to other, more credible voices. Rather the opposite. Leaders must have the courage to act aggressively through transparent engagement and call for others to do the same.

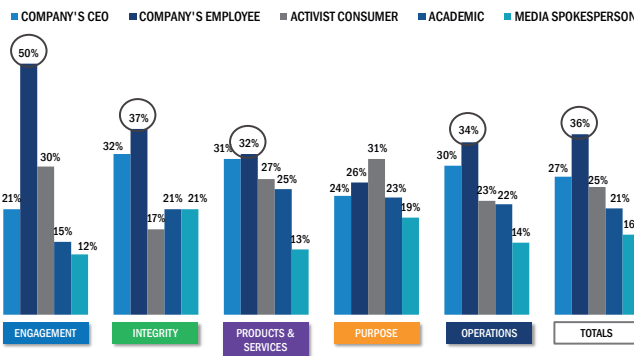
With regard to business, trust in the person leading the company is inextricably linked with trust in the company itself. Actions taken by CEOs shape trust in the companies they lead and influence the behaviors and attitudes of their stakeholders. This year, the Edelman Trust Barometer examined specific actions CEOs can take to build trust and the level of importance of these actions to the general public. Actions that ranked highest included communicating clearly and transparently (82 percent), telling the truth regardless of how complex or unpopular it is (81 percent) and engaging with employees regularly (80 percent). Being visible during challenging times and having an active media presence were also important to respondents.

It Takes a Chorus

Strong leadership sets the tone and tenor for engagement throughout an organization. Empowering the right spokespeople to participate in the debate amplifies the ability of business to lead the debate for change. The CEO is a critical voice and face for a company but should not be the only one. Looking at trust by topic of information, various stakeholders are trusted more or less on different topics (Fig. 13). Academics and activist consumers continue to be highly trusted voices in general and can serve as credible third party validators, especially when communicating purpose-related trust attributes (like environmental consciousness and positive community impact), where activist consumers have the highest trust level (31 percent).

Figure 13: Different stakeholders trusted on different topics; employees are trusted source across areas

Most trusted influencer to communicate each topic - Influencer Message Mapping

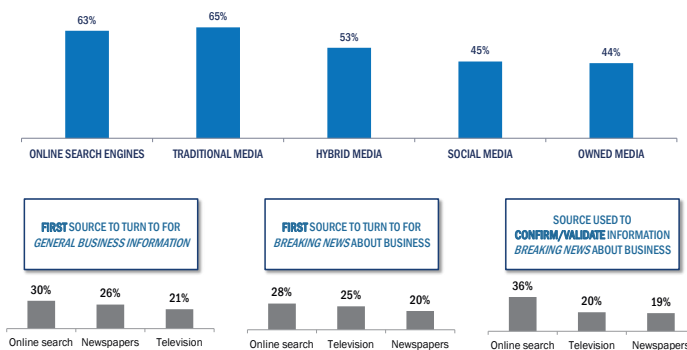


Employees are considered the most trusted source across most clusters of trust attributes, especially among those attributes grouped under engagement (50 percent) and integrity (37 percent), the most important as measured by the Edelman Trust Barometer.

The public wants to hear directly from employees as ambassadors for the company who can attest to its integrity, the quality and relevance of products and services offered and the operational strength of the company, including its leadership.

Figure 14: The growing power of search

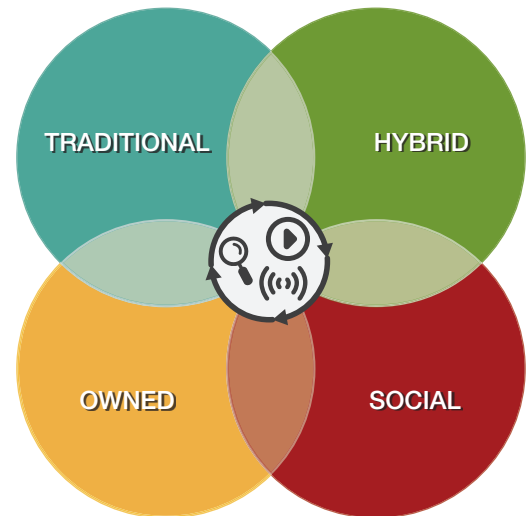
Levels of trust in different sources of information



Make It "Findable"

The value in diversified channel engagement strategies is reinforced by the consistent levels of trust in the different sources of information measured by the Edelman Trust Barometer. While traditional media and online search engines are the most trusted sources (63 and 65 percent, respectively), hybrid, social and owned media are also highly rated (Fig. 14). Leveraging the full potential of the media cloverleaf (Fig. 15) to engage in discourse through multiple channels will make information more accessible. In turn, this will increase the likelihood of stakeholders hearing stories three to five times, the number of times needed for most stakeholders to believe information to be true.

Figure 15: Media Cloverleaf



When it comes to first sources of information, respondents rated online, newspapers and television relatively evenly for both general business information and breaking news about business. While newspapers lead television slightly (five points) for general information, the tables turn for breaking news, where television leads newspapers by five points. Online is most trusted for both types of information.

Perhaps more revealing than level of trust in sources for first finding information is level of trust in sources for confirming or validating information about business. On this question, respondents rated online search 16 points higher (36 percent) than television and 17 points higher than newspapers.

How to Build Trust

The level of importance assigned to each of the 16 Edelman Trust Barometer attributes by informed publics remained largely the same over the past year. Stated performance of business showed a slight increase in many of these attributes. In grouping the attributes into the five performance clusters and plotting them in quadrants along the axes of stated importance and stated performance, it's clear how companies can move the trust needle in the coming year.

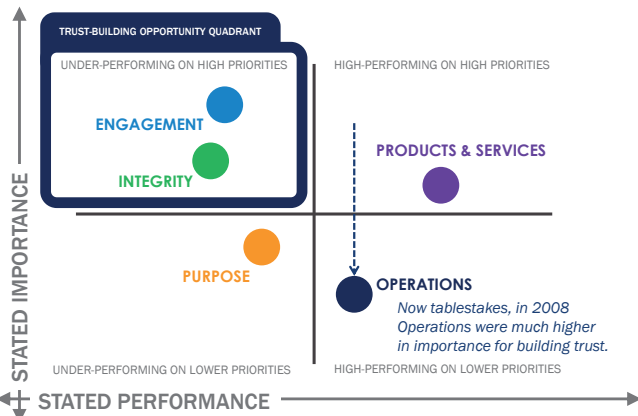
Operational excellence and products and services attributes continue to be ranked toward the bottom of the list. Now table stakes, stated performance ratings indicate companies are generally meeting expectations on these clusters by generating consistent financial returns and being seen to be innovating.

The upper left quadrant shows where business is perceived to be under performing on attributes of high importance to stakeholders (Fig. 16). In 2013, we noted the dramatic shift since 2008 in stated importance of the 16 attributes to reflect a greater emphasis on engagement and integrity attributes. The 2014 results reinforce this prioritization and show that business has left trust opportunities on the table over the past year.

Attributes with the biggest gaps (more than 25 points) between stated importance and stated performance include listens to customers, treats employees well, is ethical, transparent and open and puts customers before profits. High quality products and services remains important to respondents with room for improvement, as does Acts Responsibly in a Crisis (Fig. 17).

In looking at how to turn attributes into action, a strong correlation emerged between top ranked positive behaviors and positive impact to certain trust attribute clusters (Fig. 18). Interestingly, the findings show that certain behaviors can influence trust across multiple trust attribute clusters. Said another way, **if companies**

Figure 16: Engagement and integrity are area for companies to tackle to build trust
Business importance vs. business performance on 16 trust drivers - global



take a certain action, they can positively influence multiple dimensions of trust among stakeholders.

Not surprisingly, the correlation is also true for negative actions. While negative behaviors can affect trust in general, certain actions can affect specific trust attributes more deeply. These are often the areas where trust in a company is most fragile.

Figure 17: Engagement and integrity are the key clusters for companies to tackle to improve trust

Business importance vs. business performance on key trust drivers

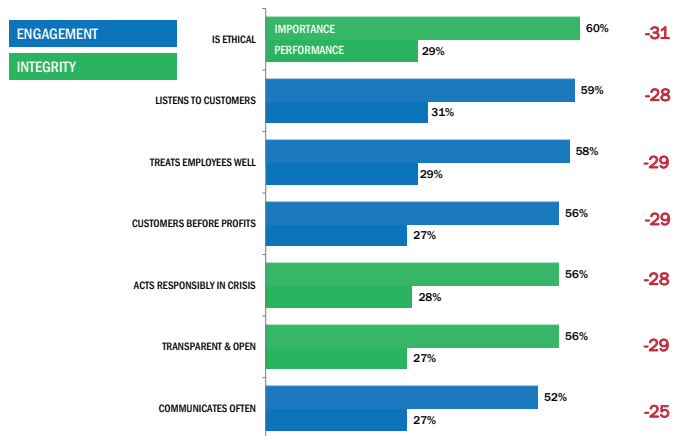
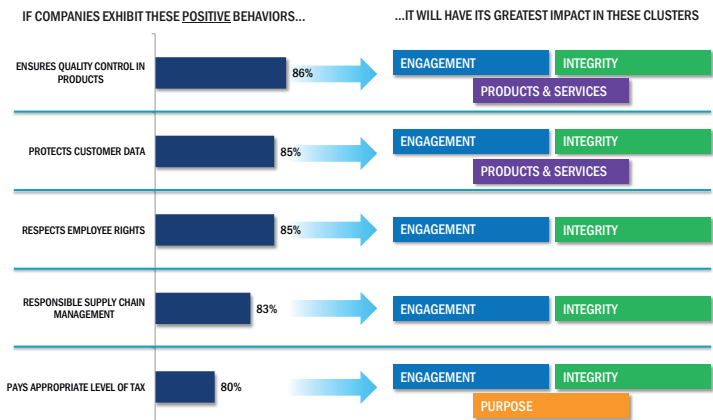


Figure 18: Turning attributes into action: Top ranked positive behaviors will impact engagement clusters

The link between the top five positive effects on trust and Trust clusters



A Defining Moment for Technology

Companies in all industries and markets have the potential to move the needle. Today, however, the message of leading the debate for change may be most critical to the technology industry. The Trust Barometer darling for more than a decade, tech has established the trust and credibility needed to realize the license to lead through innovation, diverse and engaged employee populations and financial success. However, technology is now in a different league and therefore may face the greatest potential consequences for any failure to lead.

As the scrappy technology innovators that kicked off the many trends that have changed our lives become behemoths, they will face some of the same reputational trappings that have afflicted other industries like financial services. The transition into the business elite comes with a portfolio of reputational risk to manage, from privacy and intellectual property rights, to supply chain integrity, to high pay and wind fall profits.

Tech brought us devices and systems that enable instantaneous access and widespread connectivity, which are now the norm; anything less is unacceptably foreign. In a market where new products are “socially obsolete” in years, not decades, the number of things we use to connect are piling up. And these things are quickly going well beyond the phones and tablets that are pervasive today. *AdWeek* recently examined the pace at which emerging technologies will continue to proliferate connectivity in our society, writing, “...a staggering 10 billion ‘things’ are now connected. By 2020, that number is expected to hit 50 billion, according to Cisco, and generate global revenue of \$8.9 trillion, per International Data Corp.”

We’ve already begun to see the risks of the speed and scale at which we connect through major data breaches of huge retailers like Target. The Edward Snowden leaks brought to the forefront more privacy and security concerns, highlighted new implications for generational differences in values like transparency and called into question the historical contractor models relied on so heavily in this industry.

Technology companies must also prepare to address increased scrutiny around their supply chains. As economic issues continue to hamper job markets and acting environmentally responsible becomes table stakes, publics will grow more and more aware of where and how companies are making their products and bringing them to market. As Apple saw earlier last year, NGOs and activist consumers aptly leverage public shame to bring awareness and pressure companies to make changes or lose their customers’ trust and loyalty.

In the changing profile of technology, once “person-like-me” founders are now multi-b/millionaires. They own majority stakes in the companies they’ve taken public and they dominate markets with just handfuls of competitors. How the leaders of these companies behave reflects on the company itself and the industry profile. Tech leaders have been generous but increasingly, they face scrutiny on political contributions, tax issues and public behaviors, as seen with Sean Parker’s recent “Lord of the Rings”-themed wedding.

These companies have the advantage of hindsight. They can learn from others, including fellow giants of tech like HP (disclosure: Edelman client). Meg Whitman’s renewed focus on employees and customers and recalibration of HP’s role in the market have sparked interest and confidence once again in HP as an industry force.

Realizing the trust opportunity in engagement, integrity and purpose can help companies side-step the trust pitfalls so many other companies have weathered. Continuing to innovate – as tech is so well-known for – isn’t just about the next product or service. It’s also about how companies lead and engage on critical issues, like Internet standards and data and privacy, which will remain at the forefront of debate. Instead of taking the historical route of political lobbying and top-down, closed-door communication, they can work openly with government, NGOs and broader publics to set the right context for forward progress.

The Value of Context

In the fourteenth year of The Edelman Trust Barometer study, we see deeper complexity of trust, as well as its increasing importance and relevancy for the global institution of business. This year's data painted a stark picture of a weakened government which no longer owns an unparalleled platform from which to persuade the public and set context at a time when context is critical.

Today's world requires a shift from the historic, transactional nature of capitalism to a model of **value creation** that encompasses societal benefit as well as shareholder value. It is imperative the inventiveness and speed-to-market innate to the private sector be applied to building this new approach. The interconnectedness of our global economy and conversations, coupled with digitally-driven transparency, means the actions (and inactions) of business are reacted to in real time. In this operating reality, context, value and values have become mission critical. **Context sets the stage, value is the benefit to all, and values guide the way in which the benefits will be achieved.**

Eighty-six percent of our Edelman Trust Barometer respondents believe a company can take specific actions that both increase profits and improve the economic and social conditions in the communities where it operates, further supporting the work of HBS Professor Michael Porter and FSG's Mark Kramer who codified the notion of Shared Value in early 2011. This year's data outlines not only an opportunity, but more importantly, **a responsibility for business to redefine and reprioritize the way it thinks about value.**

To this end, value is no longer the sole domain of the finance function but must now involve supply chain, human resources, marketing communications, legal, the entire employee population, as well as NGOs and other third parties. **Context setting, value creation and values articulation have become a team sport.**

Edelman suggests a three-pronged approach: Participate, Advocate and Evaluate. Here is how this model has created value for our clients and society:

Participate—In 2012, GE recognized many veterans of the U.S. armed forces were returning from Afghanistan and Iraq to gloomy job prospects. The company approached the military and some of its largest manufacturing peers with a unique idea: Why not apply the hard-earned and highly relevant experience of soldiers to credits for specific skills, an equivalent of on-the-job training worthy of a skills certificate in manufacturing, and create bespoke fast-track training programs for veterans that also meet the needs of a rapidly evolving industry. The company was the catalyst of a nationwide conversation in partnership with major veterans groups and its entire supply chain, many of whom signed on to employ these veterans based on the new skills criteria. Through this initiative, GE addressed its needs

around a shrinking skilled workforce, while also providing opportunity (economic as well as societal) for returning soldiers.

Advocate—Unilever took a bold step early in the tenure of CEO Paul Polman. It declared the intention to double its revenue while keeping consumption of resources flat. Early actions included the introduction of concentrated products such as All Detergent (the Mighty All), a review of packaging, as well as sourcing. But even this supply chain overhaul only took the company one third of the way to its goal. So this fall, Project Sunlight was launched to enlist the billions of Unilever consumers in a mass movement aimed at achieving large-scale behavior change. By taking shorter showers, doing wash with cold water or countless other small commitments, the company has signed up more than 75 million people in six nations to be part of the effort, delivering demonstrable value to the planet and its shareholders.

Evaluate—In 2007, PepsiCo CEO Indra Nooyi was one of the first leaders to recognize the important interdependence between corporations and society with the launch of Performance with Purpose. This commitment describes the company's goal of delivering sustained financial performance by providing a wide range of foods and beverages from treats to healthy eats; finding innovative ways to minimize the impact on the environment and lower costs through energy and water conservation, as well as reduced use of packaging material; providing a safe and inclusive workplace for employees globally; and respecting, supporting and investing in local communities in which PepsiCo operates. Fulfilling this commitment has led to impressive results. Low- or zero-calorie beverages, active hydration offerings and juices now comprise 49 percent of the company's U.S. beverage volume. And since 2006, PepsiCo has reduced its water usage by more than 20 percent per unit of production. PepsiCo annually reports on its progress, also holding regular meetings with civil society and local communities.

Each of these company examples represents a recognition of both the opportunity and responsibility that now exists for all of business. We believe it is time for CEOs to champion engagement and for business to establish the context needed for forward progress. In a world of constrained resources and growing stresses, compromise and choice are required for forward progress, based on values and with the commitment of greater societal value.



President and CEO, Edelman



Deputy Chairman, Practices & Sectors
and Global Chair, Corporate Practice

About the Edelman Trust Barometer

The 2014 Edelman Trust Barometer is the firm's 14th annual trust and credibility survey. The survey was produced by research firm Edelman Berland and consisted of 20-minute online interviews conducted October 16, 2013 – November 29, 2013. The 2014 Edelman Trust Barometer online survey sampled 27,000 general population respondents with an over-sample of 6,000 informed publics ages 25-64 across 27 countries. All informed publics met the following criteria: college-educated; household income in the top quartile for their age in their country; read or watch business/news media at least several times a week; follow public policy issues in the news at least several times a week. For more information, visit: <http://www.edelman.com/trust2014>

About Edelman Berland

The Trust Barometer is powered by Edelman Berland. Edelman Berland is a global, full-service market research firm that provides corporate, non-profit and government clients with strategic intelligence to make their communications and engagements with stakeholders the smartest they can be. The firm specializes in qualitative and quantitative research, measurement, tracking and analysis in reputation, branding and communications. Edelman Berland has more than 100 employees in offices serving clients in more than 50 countries and is part of Edelman, the world's largest public relations company. Edelman Berland: *Intelligent Engagement*

About Edelman

Edelman is the world's largest public relations firm, with 67 offices and more than 4,800 employees worldwide, as well as affiliates in more than 30 cities. Edelman was named Advertising Age's top-ranked PR firm of the decade in 2009 and one of its "A-List Agencies" in both 2010 and 2011; Adweek's "2011 PR Agency of the Year;" PRWeek's "2011 Large PR Agency of the Year;" and The Holmes Report's "2013 Global Agency of the Year" and its 2011 "North American Large Agency of the Year." Edelman was named one of the "Best Places to Work" by Advertising Age in 2010 and 2012 and among Glassdoor's top five "2011 Best Places to Work." Edelman owns specialty firms Edelman Berland (research), Blue (advertising), BioScience Communications (medical communications) and agencies Edelman Significa (Brazil), and Pegasus (China). Visit <http://www.edelman.com> for more information.



On the cover, from top left: Japanese Prime Minister Shinzo Abe: REUTERS/Toru Hanai; Malala Yousefzai: REUTERS/Darren Staples; Brazilian Oil and Gas Magnate Eike Batista: REUTERS/Fred Prouser; Anti-Government Protests in Turkey: REUTERS/Murad Sezer; Lord Justice Leveson, Chair of The Leveson Inquiry: REUTERS/Stefan Wermuth; Hong Kong Protests in Favor of Edward Snowden: REUTERS/Bobby Yip; U.S. Government Shutdown: REUTERS/Mike Theiler

